

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 640  
 SPONSOR: Senator Fasano  
 SUBJECT: License Plates  
 DATE: February 25, 2003      REVISED: 03/05/03 \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>McAuliffe</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/ 2 amendments</u>
2.	<u>Vickers</u>	<u>Krasovsky</u>	<u>MS</u>	<u>Favorable</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
4.	_____	_____	<u>ATD</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to issue military services specialty license plates for the United States Army, Navy, Air Force, and Coast Guard. In addition to applicable motor vehicle registration taxes and fees, a \$15 annual use fee will be charged for these new specialty license plates to be deposited into the State Homes for Veterans Trust Fund and must be used solely to construct, operate, and maintain domiciliary and nursing homes for veterans.

This bill substantially amends sections 320.08056 and 320.08058 of the Florida Statutes.

**II. Present Situation:**

Section 320.08053, F.S., provides an organization seeking authorization to establish a specialty license plate must submit the following:

- A request for the particular license plate with a description of the proposed plate in general terms.
- The results of a scientific sample survey of Florida motor vehicle owners indicating at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs.
- An application fee, not to exceed \$60,000, to defray the DHSMV's cost for reviewing the application and developing the specialty license plate, if authorized.
- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to the DHSMV no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, then the application fee shall be refunded to the requesting organization.

Section 320.08056, F.S., provides that the DHSMV is responsible for developing the specialty license plates and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by the DHSMV. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters "A" through "Z", or a combination thereof. The word "Florida" must appear at either the top or the bottom of the plate, depending upon the design and may bear an appropriate slogan.

The Department is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plates pro rata share of the DHSMV's costs directly related to issuing the specialty license plate.

The Department must discontinue the issuance of an approved specialty plate if less than eight thousands plates (including annual renewals) are issued by the end of the fifth year or during any subsequent 5-year period. The Department is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists or if the organization has stopped providing services that are authorized to be funded.

Annual use fees or any interest earned from those fees may not be used for commercial or for-profit activities, or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized).

Section 320.08056 (4)(d), F.S., creates the Florida Salutes Veterans license plate and provides for a \$15 annual use fee. Section 320.08058(4), F.S., provides that the proceeds from the use fee are deposited into the State Homes for Veterans Trust Fund and used solely for the purpose of constructing, operating, and maintaining domiciliary and nursing homes for veterans and for limited promoting and marketing of the plate. In 2002, there were 30,389 Florida Salutes Veterans license plates sold, generating \$455,835.

Section 320.08056 (4)(cc), F.S., creates the United States Marine Corp license plate and provides for a \$15 annual use fee. Section 320.08058(29), F.S., provides for the first \$50,000 collected annually from the use fee to be deposited into the State Homes for Veterans Trust Fund and used solely for the purpose of constructing, operating, and maintaining domiciliary and nursing homes for veterans. Any additional funds collected annually are deposited into the Marine Corps Scholarship Foundation, Inc., and used to fund scholarships and assist Marine Corps Junior ROTC and Young Marine programs in Florida. In 2002 there were 21,207 United States Marine Corp license plates sold, generating \$318,105.

**III. Effect of Proposed Changes:**

The bill amends ss. 320.08056 and 320.08058, F.S., directing the DHSMV to issue military services specialty license plates for the United States Army, Navy, Air Force, and Coast Guard. In addition to applicable motor vehicle registration taxes and fees pursuant to s. 320.08, F.S., a \$15 annual use fee and a \$2 processing fee will be charged for these new specialty license plates. The \$15 use fee is to be deposited into the State Homes for Veterans Trust Fund and must be used solely to construct, operate, and maintain domiciliary and nursing homes for veterans, subject to planning and budgeting requirements of chapter 216, F.S.

**IV. Constitutional Issues:****A. Municipality/County Mandates Restrictions:**

None.

**B. Public Records/Open Meetings Issues:**

None.

**C. Trust Funds Restrictions:**

None.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

Persons electing to purchase these military services specialty license plates would pay a \$15 annual use fee, in addition to the taxes and fees required under s. 320.08, F.S., and a \$2 processing fee. The \$15 use fee will be deposited into the State Homes for Veterans Trust Fund, and must be used solely to construct, operate, and maintain domiciliary and nursing homes for veterans and the \$2 processing fee is deposited into the State Transportation Trust Fund of the Department of Transportation. The fiscal impact is indeterminate.

**B. Private Sector Impact:**

A person electing to purchase a military services specialty license plate will annually pay an additional \$17 for the specialty license plate.

**C. Government Sector Impact:**

The State Homes for Veterans Trust Fund is administered by the Department of Veterans' Affairs.

According to the DHSMV, no organization has submitted the documentation or the application fee as required in s. 320.08053, F.S.

The Department estimates it will incur \$59,460 in costs associated with the development and issuance of these specialty license plates. More specifically, these costs include \$15,000 in personnel costs, \$7560 in computer programming costs and \$36,900 in license plate costs. Specialty license plates cost the DHSMV \$2.46 each under the current contract. The Department anticipates initially ordering only 3,750 plates of each type.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

#1 by Transportation:

Provides the military license plate is not subject to the requirements of s. 320.08053, F.S., which requires a \$60,000 fee to defray the DHSMV's expenses, a survey showing 15,000 people would purchase the plate, and a marketing plan.

# 2 by Transportation:

Provides the DHSMV will retain all revenues from the sale of the military license plate until all start-up costs for developing and issuing the plates have been recovered.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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